Capitalization Record Alignment

Refer to the:

Capitalization Record Alignment

Guide

Dated 17 December 2003

Capitalization Record Alignment

HISTORY

The Chief Financial Officers Act (CFOA) of 1990 required the federal government to maintain accountability of its assets and to report them in the annual financial statements. An Executive Order in 1998 directed all government agencies, including DOD, to remedy the problems and achieve an unqualified audit opinion for the 1999 fiscal year. The Army was encouraged to use the Defense Property Accountability System (DPAS) as the reporting system for all assets and subsequently directed that all real property be included in that system. To accomplish this objective an interface between IFS and DPAS was established in FY 2000.

Capitalization Record Alignment

HISTORY

The IFS – DPAS interface was designed to furnish data pertaining to vouchered capital acquisitions and improvements to and from DPAS. At that time DPAS was designated by DOD as the migratory system to establish property accountability and provide financial reporting as mandated under the CFOA (Public Law 101-576). In time, DPAS was to furnish this information to all Installation level accounting systems.

Capitalization Record Alignment

HISTORY

The implementation of this interface required significant changes both to IFS and to the business procedures of recording real property capital improvements. Further, it mandated conversion of the existing IFS capitalization records into a completely new data structure developed to support both the interface, CFOA and DPAS requirements. (The rules for this conversion are included in Appendix A (Non-USAREUR) and Appendix B (USAREUR) of the Capitalization Record Alignment Guide.

Capitalization Record Alignment

HISTORY

The focus of recording capital improvements was changed to reflect the construction project that authorizes the work and the fund source(s) that pays for the project. Construction costs are capitalized at the facility level instead of by category codes.

Capitalization Record Alignment

HISTORY

Prior to conversion, any changes to Cost of Government required installations to create a capital increase or capital decrease at the RPF USE level. This was no longer the case after implementation of this change package, and implementation guidance instructed users to review all capitalization records with a negative amount as follows:

Capitalization Record Alignment

HISTORY

If any negative (or positive) record was a correction to another capitalization record, users were instructed to ensure that the Date of Capitalization was the same in both the original and the adjustment record(s). This would then result in the records being summed during conversion with the “net” amount being generated in the converted record for the Improvement Beneficial Occupancy Date (BOD).

Capitalization Record Alignment

HISTORY

If capitalization dates were not aligned by project this resulted in a different "project number" being assigned, even though it was actually all one project. This also could cause the creation of both a positive and a negative record for the capitalization, which then resulted in an excessive or incorrect amount being reported and depreciated in DPAS (since positive dollars were reported, and potentially off-setting negative dollars were not reported).

Capitalization Record Alignment

CONSIDERATIONS

USAREUR data was converted from the ENGBASE system, therefore any negative value records that were converted, were in support of USAREUR “Current Value” calculations (Based on rules established in the Status of Forces Agreement (SOFA)). See Appendix B of Capitalization Record Alignment Guide for rules governing conversion of ENGBASE records to IFS.

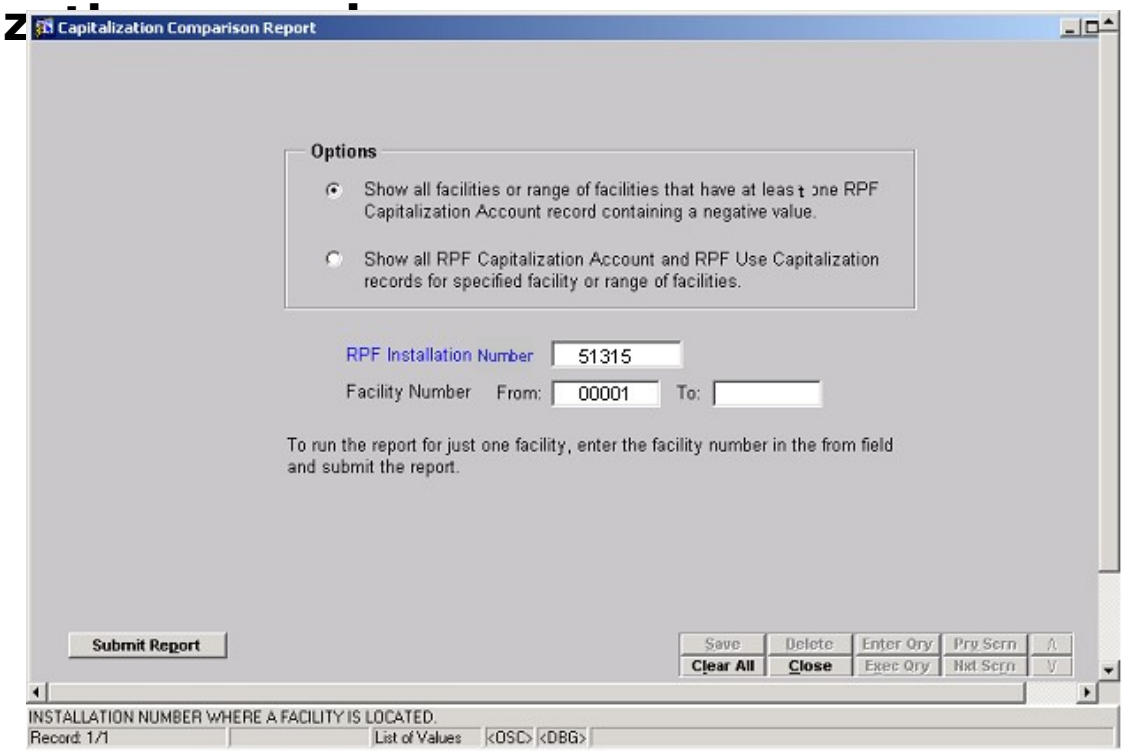
Capitalization Record Alignment

CONSIDERATIONS

With the implementation of SCP 15, ALL actions/corrections to RPF Capitalization Account Records will be captured as separate Journal Entries providing a complete audit trail of each change made and the individual making the change. (This is in compliance with Auditing requirements).

Capitalization Record Alignment

A user-friendly report has been developed which will select/display RPF Capitalization and RPF Use Capitaliz


Capitalization Comparison Report
Options
Show all facilities or range of facilities that have at least one RPF Capitalization Account record containing a negative value.
Show all RPF Capitalization Account and RPF Use Capitalization records for specified facility or range of facilities.
RPF Installation Number
51315
Facility Number
From:
00001
To:
To run the report for just one facility, enter the facility number in the from field and submit the report.
Submit Report
Save
Delete
Enter Qry
Prv Scrn
Clear All
Close
Exec Qry
Nxt Scrn
INSTALLATION NUMBER WHERE A FACILITY IS LOCATED.
Record: 1/1
List of Values
<OSC>
<DBG>

Capitalization Record Alignment

If any instance of RPF Capitalization contains a negative value in Dollar Amount (or if Parameter is selected to display records even if no negative records exist), then "All" RPF Capitalization Account records and "All" Archived RPF Use Capitalization records (Non-USAREUR sites only) will be selected for that facility.

The report produces a listing by Installation Number, with selected data from RPF Capitalization Account and the associated (by Facility Number) archive RPF Use Capitalization data on the right side of page. This provides a tool for the user to analyze the reason for the negative value(s) and/or facilitate alignment by project of positive records to aid the user in determining the appropriate action to take to align the records.

INSTALLATION NUMBER: 51315 FACILITY NUMBER: 00001

RPF CAPITALIZATION ACCOUNT

DOCUMENT NUMBER	SEQUENCE NUMBER	IMPROVEMENT BOD	DOLLAR AMOUNT
DPAS-CNVRT-001	**1**	**01-JUL-1968**	**13,100.00+**
DESC: ORIGINAL COST			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		
DPAS-CNVRT-002	**1**	**28-JUN-1991**	**97,700.00+**
DESC: NEW IMPROVED SIDING			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		
DPAS-CNVRT-003	**1**	**21-APR-1993**	**50,000,000.00+**
DESC: CONSTRUCT STORAGE AREA			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		
DPAS-CNVRT-004	**1**	**28-JUN-1991**	**12,875.00+**
DESC: NEW IMPROVED SIDING			
.			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		
DPAS-CNVRT-005	**1**	**30-APR-1993**	**50,000.00+**
DESC: CONSTRUCT STORAGE AREA			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		
DPAS-CNVRT-006	**1**	**01-MAY-1993**	**50,000,000.00-**
DESC: ADJUSTMENT TO CORRECT ERRONEOUS ENTRY			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		

RPF USE CAPITALIZATION ARCHIVE

DESIGN USE	LINE NUMBER	VOUCHER NUMBER	DATE CAPITALIZATION	COST OF CAPITALIZATION	ESTIMATED VALUE
71114	**1**	V003-33	**01-OCT-1950 12:20:53 PM**	**13,100.00+**	
DESC: ORIGINAL COST					
71114	**1**	SCP09	**28-JUN-1991 2:37:34 PM**	**97,700.00+**	
DESC: NEW IMPROVED SIDING					
71115	**3**	V004-47	**21-APR-1993 00:00:00**	**50,000,000+**	
DESC: CONSTRUCT STORAGE AREA					
71112	**1**	SCP09	**28-JUN-1991 00:00:00**	**12,875.00+**	
DESC: NEW IMPROVED SIDING					
71115	**1**	V005-41	**30-APR-1993 9:44:54 AM**	**50,000+**	
DESC: CONSTRUCT STORAGE AREA					
71115	**1**	SCP09	**01-MAY-1993 11:21:56 AM**	**50,000,000-**	
DESC: ADJUSTMENT TO CORRECT ERRONEOUS ENTRY					

Examining the report we see that an RPF Capitalization record was created with an improvement BOD of 1 JUL 1968 and Dollar Amount of **$13,100,** from an RPF USE Capitalization Record with a Capitalization Date of 1 OCT 1950 and Cost of Capitalization of **$13,100.**

Note that the Improvement BOD on the RPF Cap Record differs from the Date of Cap on the RPF USE Capitalization Record. Conversion rules for SCP 12-01 (DPAS Interface Package) used the Year Built and set the calendar date to 1 July, for each “Earliest Date” RPF Use record. Thus the date **1 JUL 1968** was **derived**. As such, assuming the Year Built is correct, nothing needs to be done to this record.

RPF CAPITALIZATION ACCOUNT

DOCUMENT NUMBER	SEQUENCE NUMBER	IMPROVEMENT BOD	DOLLAR AMOUNT
DPAS-CNVRT-001	**1**	**01-JUL-1968**	**13,100.00+**

DESC: ORIGINAL COST
RMKS:
FUND SOURCE CD: AFH POSTING DATE: 30-SEP-1993

RPF USE CAPITALIZATION ARCHIVE

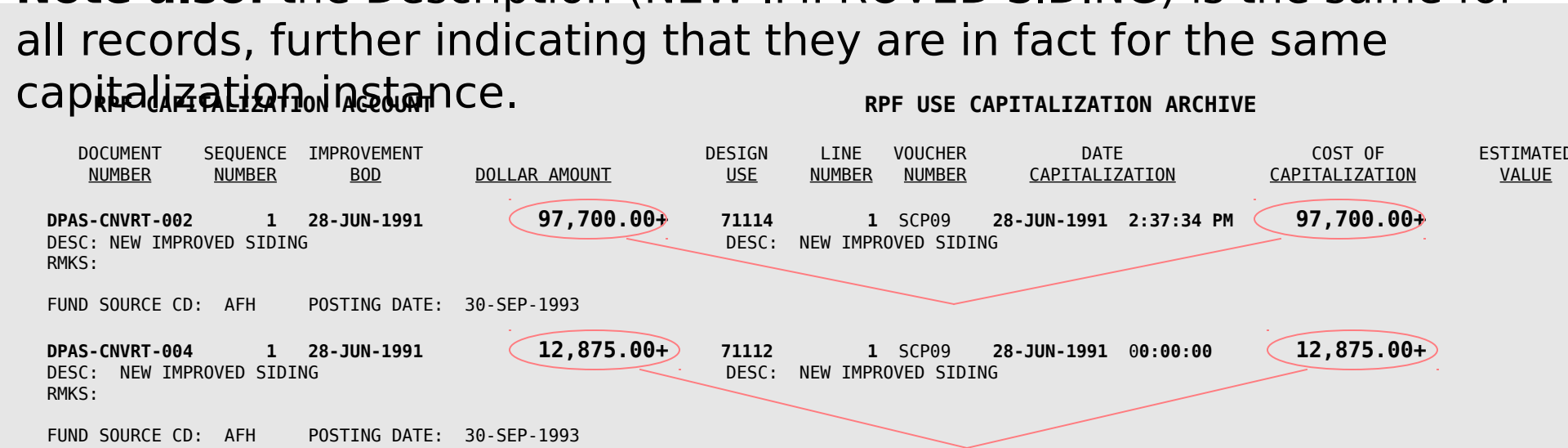
DESIGN USE	LINE NUMBER	VOUCHER NUMBER	DATE CAPITALIZATION	COST OF CAPITALIZATION	ESTIMATED VALUE
71114	**1**	**V003-33**	**01-OCT-1950 12:20:53 PM**	**13,100.00+**	

DESC: ORIGINAL COST

Further examination reveals two RPF USE Capitalization Records with the same Date of Cap (28 JUN 1991), different Time (2:37:34 PM vs. 00:00:00). The SCP 12-01 conversion did not combine records with the same date, but different times, thus we now have an RPF Capitalization record for **$97,700** and an RPF Capitalization record for **$12,875**. which really should be combined into one record with an amount equal to **$110,575**

Note: combined **total meets** the current CFOA **threshold ($100,000),** whereas the two separate records do not meet the threshold and we would therefore be erroneously under-reporting the capitalization amounts.

Note also: the Description (NEW IMPROVED SIDING) is the same for all records, further indicating that they are in fact for the same capitalization instance.

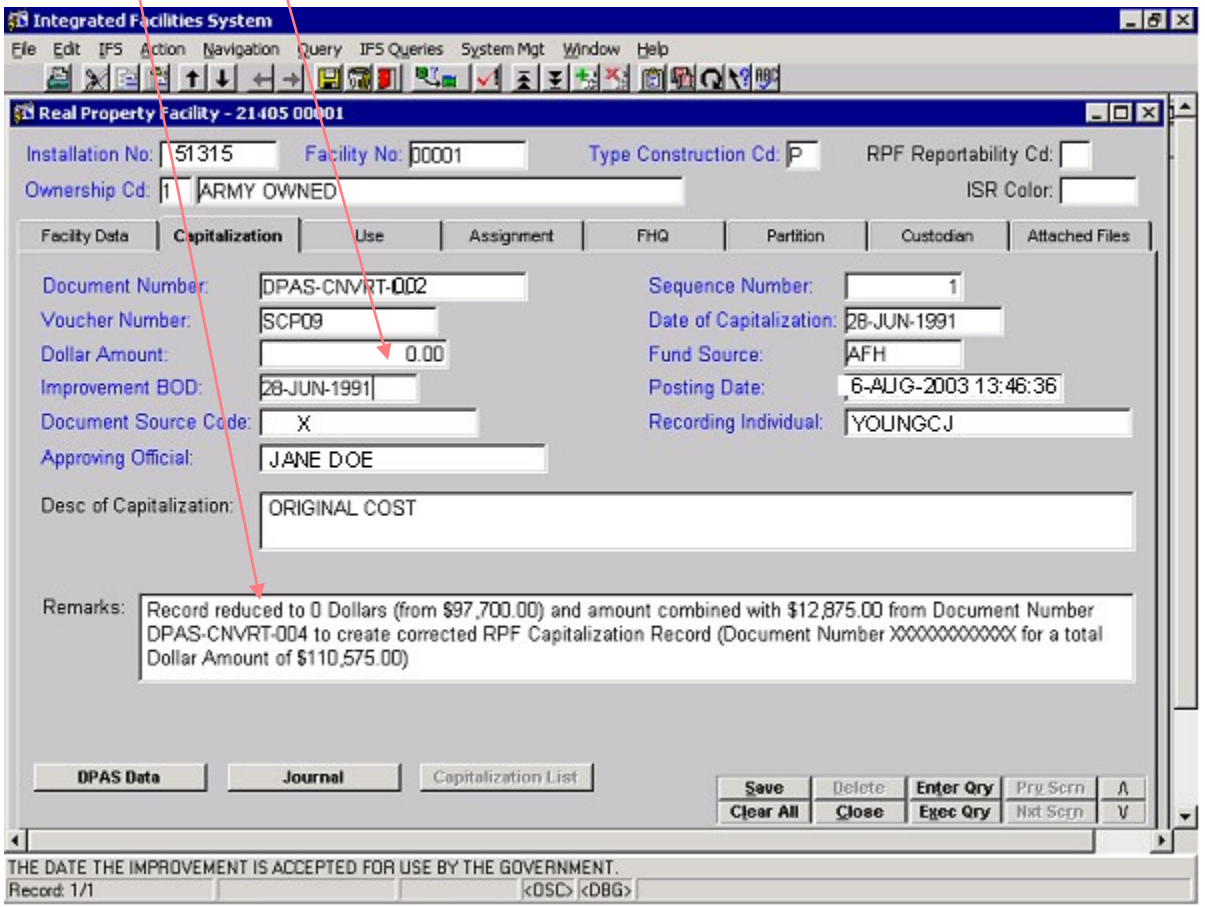


RPF CAPITALIZATION ACCOUNT **RPF USE CAPITALIZATION ARCHIVE**

DOCUMENT NUMBER	SEQUENCE NUMBER	IMPROVEMENT BOD	DOLLAR AMOUNT	DESIGN USE	LINE NUMBER	VOUCHER NUMBER	DATE CAPITALIZATION	COST OF CAPITALIZATION	ESTIMATED VALUE
DPAS-CNVRT-002	**1**	**28-JUN-1991**	**97,700.00+**	**71114**	**1**	SCP09	**28-JUN-1991 2:37:34 PM**	**97,700.00+**	
DESC: NEW IMPROVED SIDING				DESC: NEW IMPROVED SIDING					
RMKS:									
FUND SOURCE CD: AFH POSTING DATE: 30-SEP-1993									
DPAS-CNVRT-004	**1**	**28-JUN-1991**	**12,875.00+**	**71112**	**1**	SCP09	**28-JUN-1991 00:00:00**	**12,875.00+**	
DESC: NEW IMPROVED SIDING				DESC: NEW IMPROVED SIDING					
RMKS:									
FUND SOURCE CD: AFH POSTING DATE: 30-SEP-1993									

Set the Dollar AMT to **0** for Document Number DPAS-CNVRT-002.

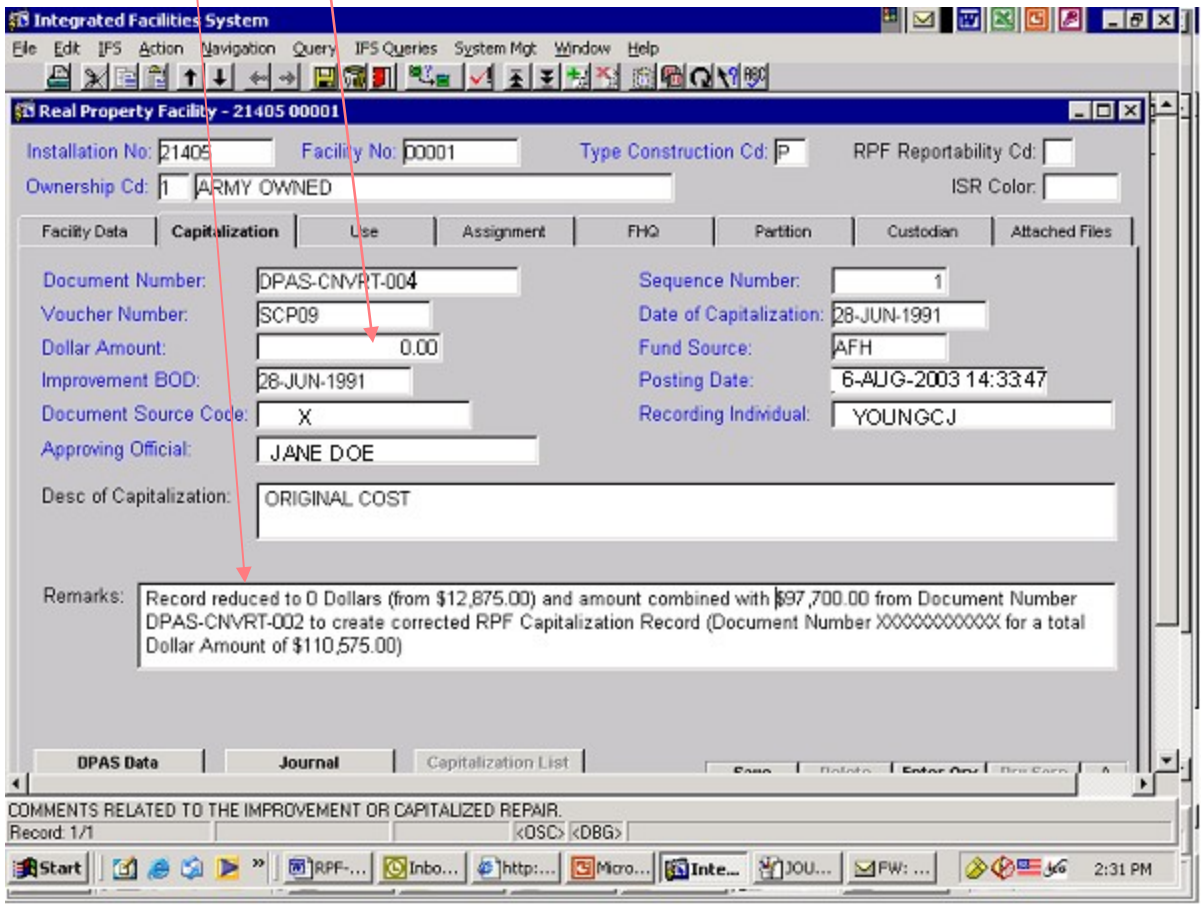
Enter appropriate **Remark** (Record reduced to 0 dollars from $97,700 and amount combined with $12,875 from Document Number DPAS-CNVRT-004 to create corrected RPF Capitalization Record (Document Number XXXXXXXXXXXX for a Total Dollar Amount of $110,575).



The system will automatically create a Journal Record, which will serve as “Permanent” documentation recording the change made.

Set the Dollar Amount to **0** for Document Number DPAS-CNVRT-004.

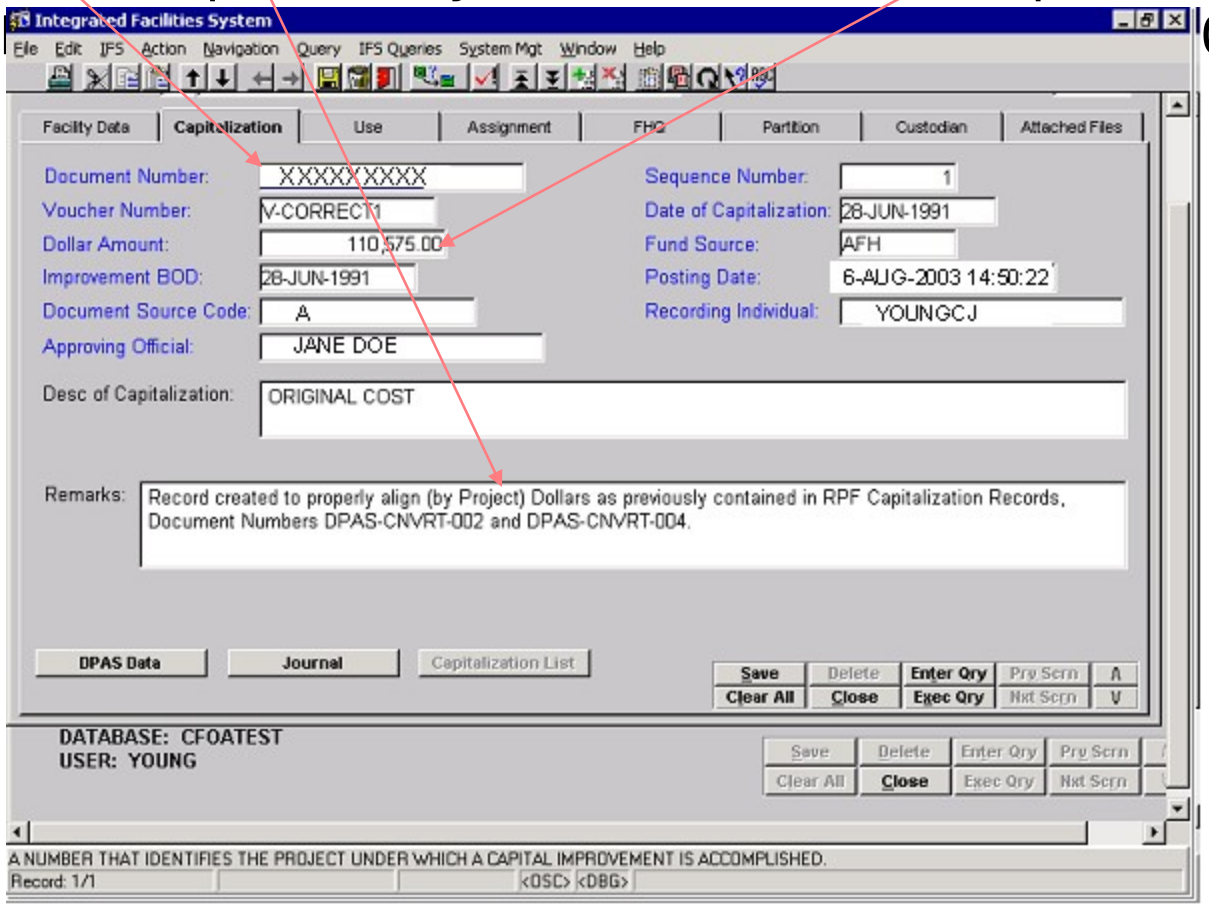
Enter appropriate **Remark** (Record reduced to 0 dollars from $12,875 and amount combined with $97,700 from Document Number DPAS-CNVRT-002 to create corrected RPF Capitalization Record (Document Number XXXXXXXXXXXX for a Total Dollar Amount of $110,575).



Again, the system will automatically create a Journal Record, which will serve

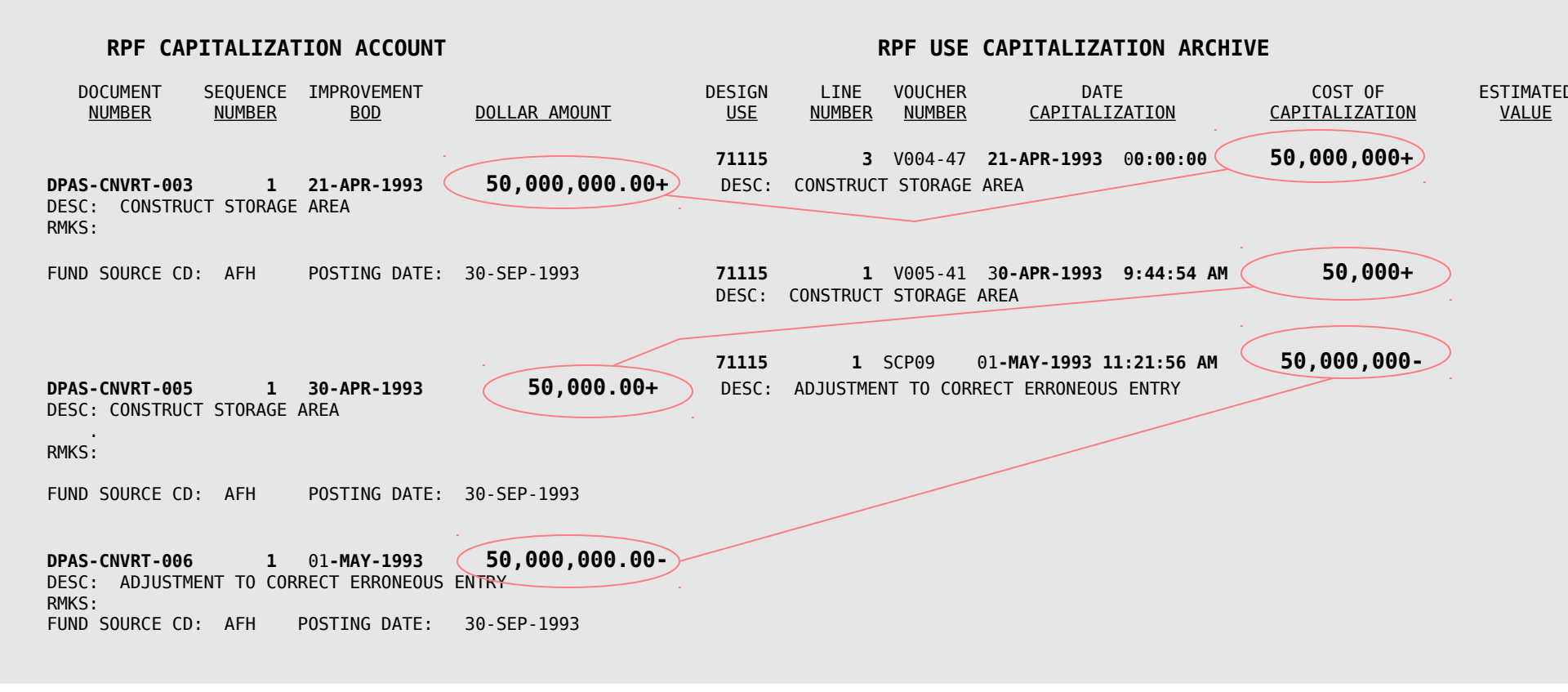
Finally, create a **new** RPF Capitalization Record with either the Actual Document Number of the project (If it can be determined) or a user generated unique Document Number for the combined Dollar Amount of **$110,575.**

Enter appropriate **Remark** (Record created to properly align (by Project) Dollars as previously contained in RPF Capitalization Records Document Numbers DPAS-CNVRT-002 and DPAS-CNVRT-004)



Again, the system will automatically create a Journal Record, which will serve

Further examination reveals: RPF USE Cap for an amount of $50,000,000, with Date of Cap 21 APR 1993 was converted to an RPF Cap with Dollar Amt of **plus $50,000,000**. There is also an RPF USE Cap with Date of Cap of 1 MAY 1993 for an amount of **Minus $50,000,000**, which should have been combined with the Plus $50,000,000 (but wasn't since the Dates of Capitalization were different) and instead created an RPF Cap with a Neg Dollar Amount of $50,000,000.00. Further examination reveals that an RPF USE Cap was present for a **Plus $50,000** with yet a different Date of Cap of



It would appear then that this **$50,000** record is in fact the **true amount** and the $50,000,000 was the result of a typographical error. Note also that the Description (CONSTRUCT STORAGE AREA) is the same for the $50,000 and $50,000,000 records and the description for the negative $50,000,000 is “ADJUSTMENT TO CORRECT ERRONEOUS ENTRY” further indicating that **all** these **records** are in fact for the **same instance of capitalization**.

RPF CAPITALIZATION ACCOUNT

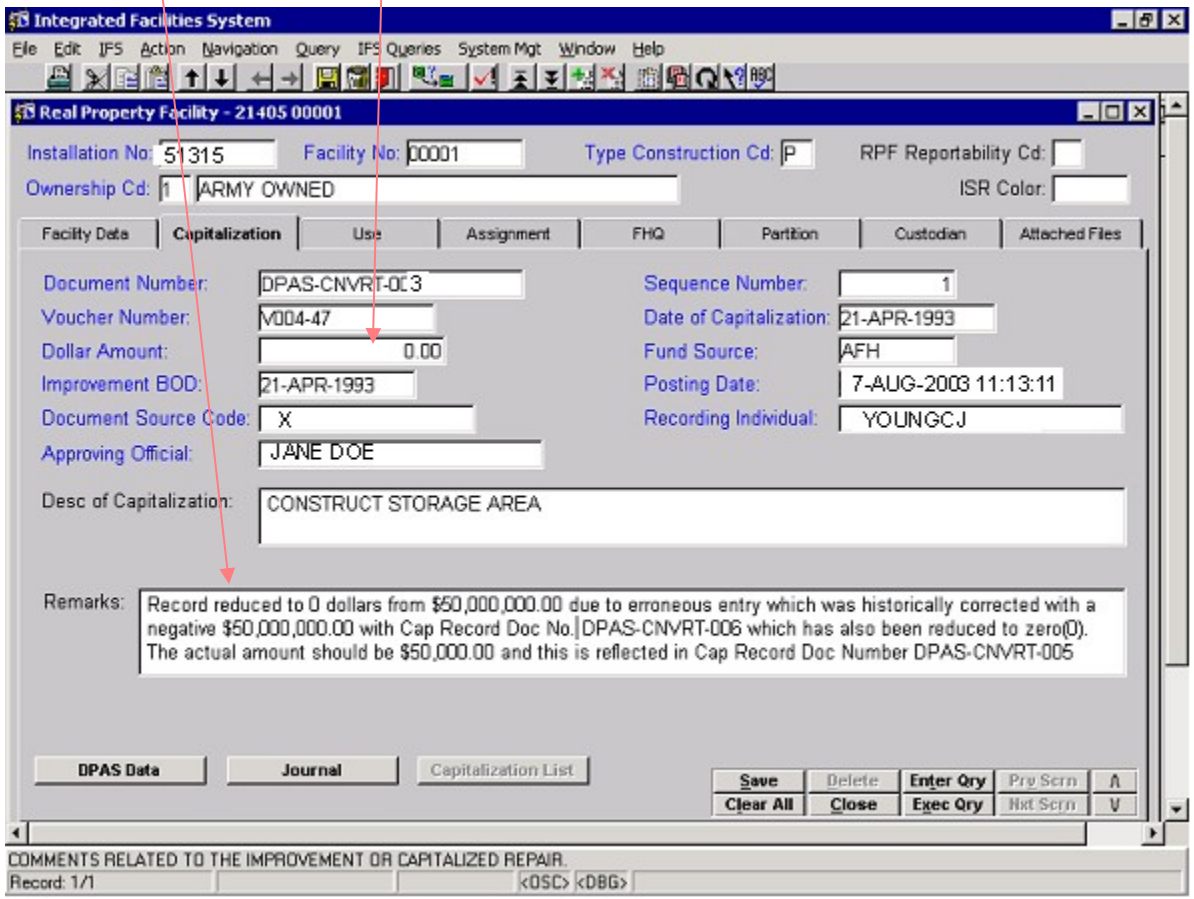
DOCUMENT NUMBER	SEQUENCE NUMBER	IMPROVEMENT BOD	DOLLAR AMOUNT
DPAS-CNVRT-003	**1**	**21-APR-1993**	**50,000,000.00+**
DESC: CONSTRUCT STORAGE AREA			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		
DPAS-CNVRT-005	**1**	**30-APR-1993**	**50,000.00+**
DESC: CONSTRUCT STORAGE AREA			
.			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		
DPAS-CNVRT-006	**1**	01-**MAY-1993**	**50,000,000.00-**
DESC: ADJUSTMENT TO CORRECT ERRONEOUS ENTRY			
RMKS:			
FUND SOURCE CD: AFH	POSTING DATE: 30-SEP-1993		

RPF USE CAPITALIZATION ARCHIVE

DESIGN USE	LINE NUMBER	VOUCHER NUMBER	DATE CAPITALIZATION	COST OF CAPITALIZATION	ESTIMATED VALUE
71115	**3**	V004-47	**21-APR-1993 00:00:00**	**50,000,000+**	
DESC: CONSTRUCT STORAGE AREA					
71115	**1**	V005-41	**30-APR-1993 9:44:54 AM**	**50,000+**	
DESC: CONSTRUCT STORAGE AREA					
71115	**1**	SCP09	01-**MAY-1993 11:21:56 AM**	**50,000,000-**	
DESC: ADJUSTMENT TO CORRECT ERRONEOUS ENTRY					

To correct, set Dollar Amount to **0** for Doc N0. DPAS-CNVRT-003.

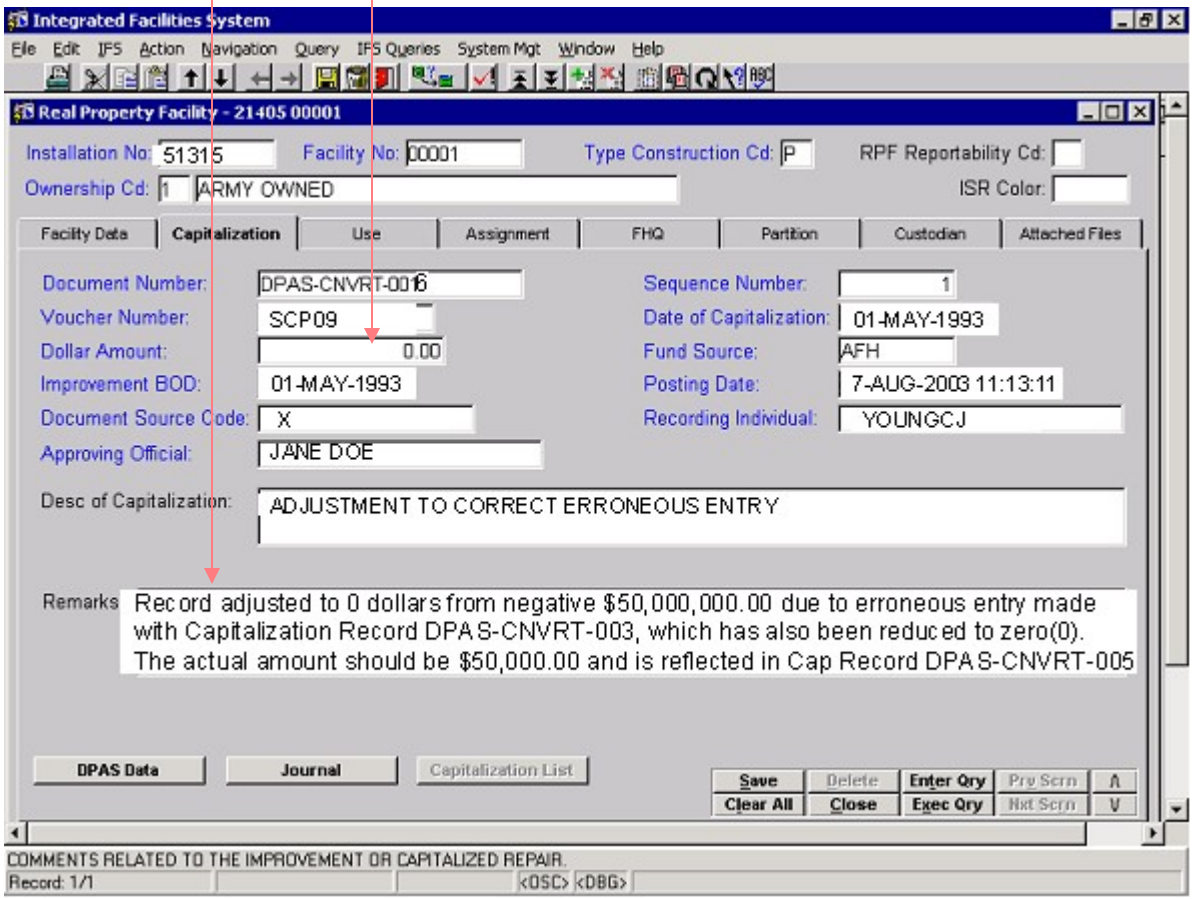
Enter an appropriate **Remark** (Record reduced to 0 dollars from $50,000,000 d
to erroneous entry which was historically corrected with a negative $50,000,00
with Capitalization record Document DPAS-CNVRT-006 which has also been
reduced to zero (0). The Actual amount should have been $50,000 and this
amount is reflected in Capitalization record Document Number DPAS-CNVRT-00


Integrated Facilities System
File Edit IFS Action Navigation Query IFS Queries System Mgt Window Help
Real Property Facility - 21405 00001
Installation No: 51315
Facility No: 00001
Type Construction Cd: P
RPF Reportability Cd:
Ownership Cd: 1 ARMY OWNED
ISR Color:
Facility Data
Capitalization
Use
Assignment
FHQ
Partition
Custodian
Attached Files
Document Number: DPAS-CNVRT-003
Sequence Number: 1
Voucher Number: V004-47
Date of Capitalization: 21-APR-1993
Dollar Amount: 0.00
Fund Source: AFH
Improvement BOD: 21-APR-1993
Posting Date: 7-AUG-2003 11:13:11
Document Source Code: X
Recording Individual: YOUNGCJ
Approving Official: JANE DOE
Desc of Capitalization: CONSTRUCT STORAGE AREA
Remarks: Record reduced to 0 dollars from $50,000,000.00 due to erroneous entry which was historically corrected with a negative $50,000,000.00 with Cap Record Doc No. DPAS-CNVRT-006 which has also been reduced to zero(0). The actual amount should be $50,000.00 and this is reflected in Cap Record Doc Number DPAS-CNVRT-005
DPAS Data
Journal
Capitalization List
Save
Delete
Enter Qry
Prv Scrn
Clear All
Close
Exec Qry
Nxt Scrn
COMMENTS RELATED TO THE IMPROVEMENT OR CAPITALIZED REPAIR.
Record: 1/1
<OSC> <DBG>

Again, the system will automatically create a Journal Record, which will
serve

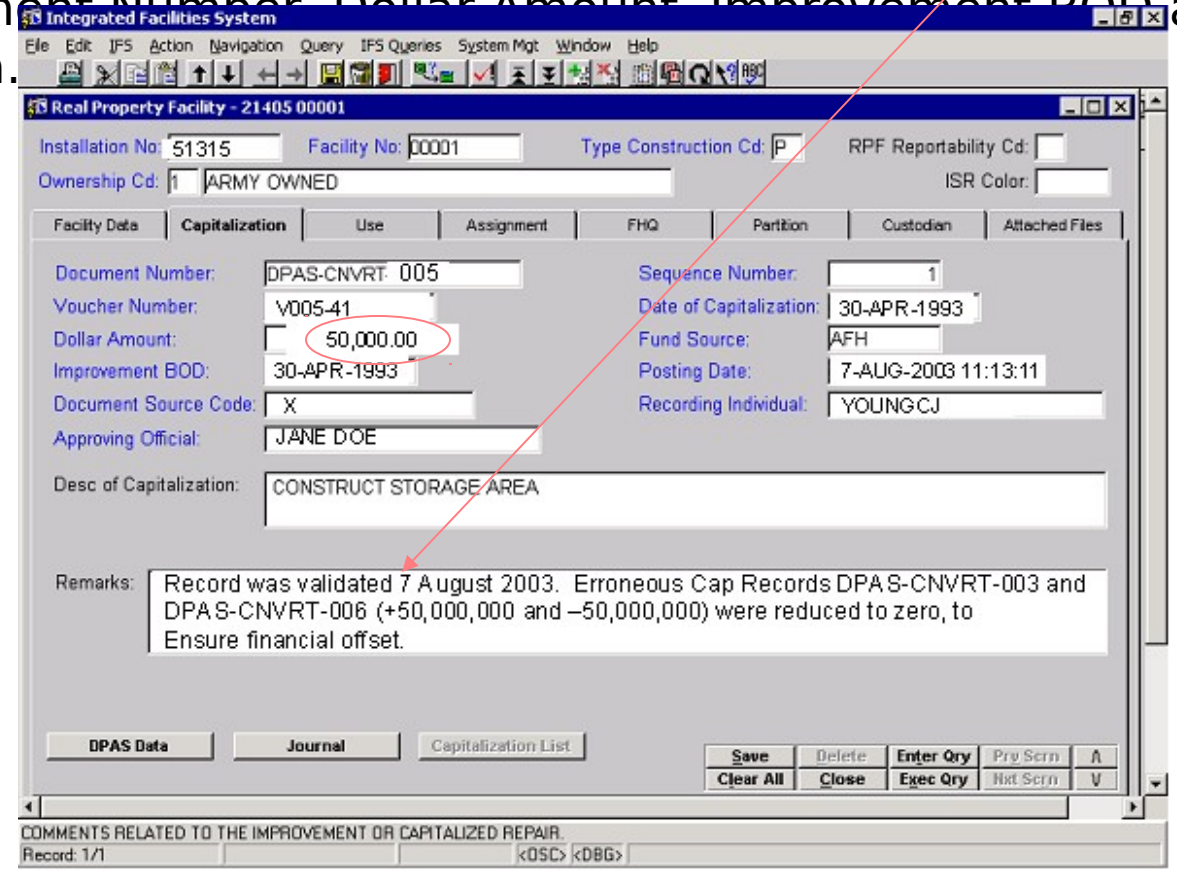
Then set the Dollar Amount to **0** for Document Number DPAS-CNVRT-006.

Enter an appropriate **Remark** (Record adjusted to 0 dollars from Negative $50,000,000 due to erroneous entry made with Capitalization record Document DPAS-CNVRT-003, which has also been reduced to zero (0). The Actual amount should have been $50,000 and this amount is reflected in Capitalization record Document Number DPAS-CNVRT-005).



Again, the system will automatically create a Journal Record, which will serve

Finally ensure that the RPF Cap Document Number DPAS-CNVRT-005 in fact correctly reflects the Dollar Amount and Improvement BOD. Enter an appropriate **Remark** (Record was validated 7 August 2003. Erroneous Cap Records DPAS-CNVRT-003 and DPAS-CNVRT-006 (+50,000,000 and –50,000,000) were reduced to zero, to Ensure financial offset). **To replace the Doc No**. with the actual Doc No. (if known), you must change the Dollar Amt of this existing record to **0** and create a new RPF Capitalization Record with the new Document Number, Dollar Amount, Improvement BOD and other applicable data.



Again, the system will automatically create a Journal Record, which will serve

CFOA Phase 1 and Capitalization Record Alignment

Thank You!

We will now review (using the system) the Capitalization screens and work on practical exercises in Capitalization Record Alignment